

BUREAU OF EXPORT ADMINISTRATION

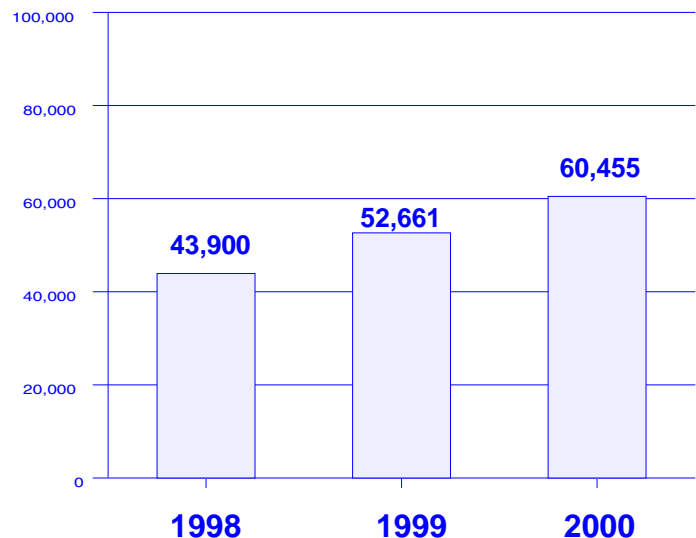
The Bureau of Export Administration (BXA) enforces U.S. export controls relating to national security, foreign policy and short supply. BXA prevents the export of goods and technologies controlled by the U.S. or multilateral regimes that may harm our national security by exacerbating the proliferation of weapons of mass destruction or the systems that deliver them. By administering an understandable, accessible and timely export control process, BXA facilitates the development of new products and technologies, and helps maintain and advance America's leadership in an increasingly competitive global economy.

BXA's principal activities include:

- Implementing the Export Administration Act (EAA). The EAA, which has expired and needs to be re-authorized, provides for export controls on dual-use goods and technology to fight proliferation and to pursue other national security, short supply, and foreign policy goals (such as combating terrorism). In response to the growing threat of proliferation of weapons of mass destruction by "pariah" nations and the evolution of the export licensing system towards individual end users, BXA has strengthened its export enforcement staff. The EAA is enforced through a variety of administrative, civil, and criminal sanctions. Simplifying and updating export controls in light of the end of the Cold War has been, and remains, a major goal of this Administration.
- Enforcing the export control and anti-boycott provisions of the EAA. In addition, ensuring compliance with treaties imposing requirements on U.S. industry. The most important such treaty is the Chemical Weapons Convention (CWC), which gives BXA new inspection, law enforcement and outreach responsibilities. BXA plays a critical role in administering the new and complex declarations processing functions and the oversight of on-site inspections to ensure that confidential business information is not jeopardized as a result of CWC implementation.
- Managing the Critical Infrastructure Assurance Office (CIAO). On May 22, 1998, the President signed Presidential Decision Directive 63, Critical Infrastructure Protection, calling for a national effort to assure the security of the increasingly vulnerable interconnected national infrastructure, including telecommunications, banking, finance, energy, transportation and essential government services. The CIAO

BXA Funding

(Dollars in Thousands)



provides support to the National Coordinator's work with government agencies and the private sector in developing a plan to reduce the infrastructure's exposure to attack, to respond, and to recover in the event of an attack.

- Analyzing and protecting the defense industrial and technology base, pursuant to the Defense Production Act and other laws. As the Defense Department increases its reliance on dual use high technology goods as part of its cost-cutting efforts, ensuring that we remain competitive in those sectors and sub-sectors is critical to our national security.
- Helping Newly Independent States and emerging economies develop effective export control systems. The effectiveness of U.S. export controls can be severely undercut if other supplier nations export sensitive goods and technology or permit diversion of our exports to other nations.

BXA's two principal operating units, [Export Administration \(EA\)](#) and [Export Enforcement \(EE\)](#), as well as its Office of Administration, have been reorganized and downsized in recent years to implement the National Performance Review (NPR) and the Trade Promotion Coordinating Committee's (TPCC) recommendation to reform and streamline the export control system.

Performance Measures

BXA supports the Secretarial Broadening Trade Initiative. BXA continues to support important government-wide actions to strengthen multilateral regimes and remove unnecessary obstacles to exporting without jeopardizing national security. BXA also helps small and medium-sized enterprises increase exports by helping them to understand export control requirements through education and outreach. For FY 2000, BXA has identified a series of performance measures which can be used to assess the impact of its program activities. This list of measures focuses on BXA's priority programs and

is not intended to cover every dollar in BXA's budget. The list of measures can be expected to evolve over time, as BXA and its programs, the Department of Commerce, and the Federal Government as a whole, continue to refine and enhance their capacity to develop performance measures, to use performance measurement as a key management tool, and implement the GPRA. A more detailed presentation of goals, objectives, and performance measures is found in the Department's Annual Performance Plan and BXA's budget justification.

Measures and Targets Summary

<u>Goal</u>	<u>Measure</u>	<u>Target</u>
Restructure export controls for the 21st century	High risk transactions deterred (#)	508
	Licensing decisions (#)	12,000
	Average processing time for license applications (days)	33
	Export assistance seminars/conferences (#)	204
	Nonproliferation and export control international cooperative exchanges (#)	30
Maintain a fully effective law enforcement program and protect U.S. national security, foreign policy, nonproliferation of dual-use commodities and chemical weapons, counter-terrorism and public policy	Enforcement outreach visits (#)	900
	Investigations completed (#)	1,300
	Investigations accepted for criminal or administrative remedies (#)	80
	End-use visits conducted (#)	680
Facilitate transition of defense industries	Strategic industry analyses completed (#)	295

SUMMARY OF APPROPRIATIONS

(Dollars in Thousands)

Funding Levels

<u>Appropriation</u>	<u>1998</u>	<u>1999</u>	<u>2000 Estimate</u>	<u>Increase (Decrease)</u>
Operations and Administration	\$43,900	\$52,331	\$60,455	\$8,124
Transfer of Y2K Funds (P.L. 105-277)		330		(330)
TOTAL BUDGET AUTHORITY	43,900	52,661	60,455	7,794

PERMANENT POSITIONS

Operations and Administration	364	464	487	23
Reimbursable	4	4	4	0
Total	368	468	491	23

HIGHLIGHTS OF BUDGET CHANGES

APPROPRIATION: Operations and Administration

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
1999 Enacted			464	\$52,661
Adjustments to Base				
<u>Adjustments:</u>				
Non-recurring Y2 K Funds				(\$ 330)
<u>Other Changes</u>				
1999 Pay raise		\$240		
2000 Pay raise		932		
Payment to the Working Capital Fund		92		
Full year cost in 2000 of positions financed for part year in 1999		1,801		
Within-grade step increases		278		
Civil Service Retirement System (CSRS)		(169)		
Federal Employees' Retirement System (FERS)		351		
Thrift Savings Plan		38		
Federal Insurance Contributions Act (FICA) -OASDI		127		
Health insurance		66		
Employees' Compensation Fund		6		
Rent payments to GSA		103		
Postage		11		
FTS		8		
Printing and reproduction		11		
Other services:				
Working Capital Fund		714		
NARA Storage and Maintenance		7		
General Pricing Level Adjustment		112		
Subtotal, other cost changes			0	4,728
Less Amount Absorbed			0	(1,146)
TOTAL, ADJUSTMENTS TO BASE			0	3,252
2000 Base			464	55,913
Program Changes			23	4,542
2000 APPROPRIATION			487	60,455

Comparison by Activity

	1999 Currently Avail		2000 Base		2000 Estimate		Increase / Decrease	
	Perm Pos	Amount	Perm Pos	Amount	Perm Pos	Amount	Perm Pos	Amount
DIRECT OBLIGATIONS								
Management & Policy Coordination	24	\$3,476	24	\$3,365	28	\$5,407	4	\$2,042
Export Administration	192	23,661	192	23,128	204	24,628	12	1,500
Export Enforcement	198	23,506	198	23,034	205	24,034	7	1,000
Critical Infrastructure	50	6,000	50	6,386	50	6,386	0	0
TOTAL DIRECT OBLIGATIONS	464	56,643	464	55,913	487	60,455	23	4,542
REIMBURSABLE OBLIGATIONS	4	4,000	4	4,000	4	4,000	0	0
TOTAL OBLIGATIONS	468	60,643	468	59,913	491	64,455	23	4,542
FINANCING								
Unobligated balance, start of year		(3,982)						
Offsetting collections from:								
Federal funds		(3,000)				(3,000)		
Non-Federal sources	(4)	(1,000)			(4)	(1,000)		
Subtotal, financing	(4)	(7,982)			(4)	(4,000)		
TOTAL BUDGET AUTHORITY	464	52,661			487	60,455		
Transfer from other accounts	0	(330)			0	0		
TOTAL APPROPRIATION	464	52,331			487	60,455		

Highlights of Program Changes

	Base		Increase / Decrease	
	Permanent Positions	Permanent Amount	Positions	Amount
<u>Management and Policy Coordination</u>	24	\$3,365	+4	+\$2,042

This increase supports the redesign and replacement of BXA's existing licensing system, the Export Control Automated Support System (ECASS). Designed in 1984, the system is obsolete and costly to maintain. Replacement of the system will allow BXA to function successfully in the 21st Century (+4 pos.; +\$2,042).

<u>Export Administration</u>	192	23,128	+12	+1,500
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An increase is requested to ensure that U.S. chemical and pharmaceutical firms comply with the Chemical Weapons Convention reporting and inspections requirements without losing confidential information in the process (+12 pos.; +\$1,500).

<u>Export Enforcement</u>	198	23,034	+7	+1,000
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An increase is requested to implement the National Defense Authorization Act of 1998 (NDAA). NDAA requires Export Enforcement to perform time-sensitive reviews of pre-export notifications and post shipment verifications on high performance computer exports to fifty countries to ensure that they are not diverted for military or proliferation-related purposes. China, India, Pakistan, Russia and Israel are among the nations being reviewed (+7 pos.; +\$1,000).